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Failing to seize the moment

European policymakers are currently not leveraging the full potential of the EU-ASEAN partnership. They should learn from Australia's approach

In early March, Australia and the Association of Southeast Asian Nations (ASEAN) celebrated 50 years of diplomatic ties with a Special Summit.

Although Australia is ASEAN's oldest dialogue partner, engagement between them has not been without challenges. Australia's participation in the Quad as well as its announcement of the AUKUS security pact received mixed reactions in the region. Human rights issues have also caused bumps in the relationship, as illustrated by Philippine's President Marcos Jr.'s contested address to the Australian parliament. Notwithstanding, the ties between Australia and ASEAN grow seemingly ever closer with a flurry of new commitments to deepen cooperation in trade, clean energy and maritime security.

Key to stronger engagement with ASEAN is to better understand the organisation — and its limitations.

The European Union's relationship with ASEAN is almost as old as Australia's — their diplomatic ties were established in 1977. Still, the EU's engagement with ASEAN remains lukewarm, not leveraging the full potential of the partnership.

Considering Southeast Asia's growing economic and geopolitical importance, these gaps are a problem. Both regional organisations share significant strategic interests as they are equally committed to an inclusive multilateral order and seek to avoid being caught in the middle of the US-China rivalry. There is also considerable economic potential for the relationship, as Southeast Asia (as a bloc) is projected to become the world's fourth-largest economy by 2040. But regional stakeholders like China, Japan and India are all vying for influence in Southeast Asia, slowly eroding Europe's advantage as one of ASEAN's earliest investors.

EU policymakers should thus learn from Australia's approach. Key to stronger engagement with ASEAN is to better understand the organisation — and its limitations. Canberra has effectively signalled its

commitment to the regional relationship, translated shared objectives into substance and navigated ASEAN's constraints.

Signalling commitment

ASEAN's diplomatic approach relies strongly on dialogue and personal relations. Australia's high-level and consistent engagement was therefore a key step towards building confidence in the partnership. The government of Prime Minister Anthony Albanese campaigned on a promise of stepping up Australia's engagement with Southeast Asia. While this is not a new priority in Australia's foreign policy, the government has injected a new urgency through concerted diplomatic efforts.

The appointment of Malay-speaking Foreign Minister Penny Wong, as well as extensive leader-level and ministerial travel across the region, underscored Canberra's investment. Last year, Albanese was the first prime minister to travel to the Philippines in 20 years. Other notable achievements included a comprehensive partnership with Laos, a new defence agreement with Timor-Leste, as well as elevating diplomatic ties with Vietnam, the Philippines and Brunei. The organisation of the ASEAN-Special Summit (4-6 March) in Melbourne marked the culmination of these efforts.

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Australia shows that Europe can do more to engage with ASEAN. A recent uptick in activities, like the visit of European Commission President Ursula von der Leyen to the Philippines or twin EU-ASEAN and Indo-Pacific ministerial summits in February, are a good start. Yet, given ASEAN's emphasis on dialogue and personal engagement, the absence of key figures like French and German foreign ministers from key multilateral meetings undermined the attempt to strengthen bilateral ties. Europe's efforts must be stepped up and maintained to enhance bloc-to-bloc connections.

Australia has also strengthened its ties to the region by setting a clear cooperation agenda, while carefully adjusting its policies to regional needs. The release of a Southeast Asia economic strategy last year and the announcement of AU$ 2 bn investment facility at the summit provide a clear roadmap to boost two-way trade and investment. This is an important step, as ASEAN members seek to reduce their economic

dependency on China. These measures also respond directly to funding gaps in areas like the energy transition and thus underscore Australia's commitment to listen to its partners and make a targeted impact.

In contrast, there is scepticism in Southeast Asia about the EU's capacity to translate principled commitments into concrete initiatives to benefit the region. Of the €10 bn pledged by the EU for connectivity projects at the 2022 EU-ASEAN Commemorative Summit, for example, more than half still needs to be mobilised two years later. Disputes with Malaysia and Indonesia over EU biofuel regulations and threats to revoke trade privileges over human rights issues in other member states have further fuelled ambivalent perceptions of Brussels in ASEAN.

The EU is currently seen primarily as a normative actor and collaborator on non-traditional security challenges like climate change, more than a strategic 'third way' amid US-China rivalry in the Indo-Pacific. The war in Ukraine has further reinforced the view that Europe is distracted by its neighbourhood and will prioritise close collaboration with the US over strategic autonomy in the Indo-Pacific. To build its credibility as a partner for ASEAN, therefore, it is crucial that Europe follows up on its principles with substance.

Navigating geopolitical divergence

Both Canberra's and Brussels' diplomacy with ASEAN is shaped by the grouping's commitment to non-interference and consensus principles.

The Melbourne Declaration coming out of the Special Summit highlights the constraints. An early zero-draft indicated that Australia wanted leaders to take a strong stance on Chinese incursions in the disputed South China Sea, including references to the 2016 arbitration ruling dismissing Beijing's maritime claims. But pushing the group too far would have defeated the purpose of building confidence and trust in the relationship. Varying geopolitical alignments in ASEAN thus meant the final declaration featured much more moderate language — even as a Chinese vessel collided with a Filipino supply boat at Second Thomas Shoal during the summit proceedings.

The EU, just like Australia, has to navigate geopolitical divergences with ASEAN. EU decision-makers would like to see ASEAN more strongly condemn Russia's invasion of Ukraine, but member states remain divided in their response to the war. Some ASEAN leaders have in turn called for greater consistency among European decision-makers in upholding international law and human rights in Palestine. Fundamental for the relationship will be how these differences are navigated. The EU and

ASEAN operate differently, and there is only so much ASEAN as a group can do. Finding common ground and focussing on what is possible thus becomes essential to protect shared principles like multilateralism and the rules-based international order.



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